

CONTRACT #11
RFS # 332.10-02-07

University of Tennessee

VENDOR:
BellSouth
Telecommunications, Inc.

RECEIVED

OCT 03 2006



FISCAL REVIEW

THE UNIVERSITY of TENNESSEE

Vice President for Administration and Finance

711 Andy Holt Tower
Knoxville, TN 37996-0174
Phone: (865) 974-2243
Fax: (865) 974-1324

October 2, 2006

Mr. Jim White
Executive Director
Fiscal Review Committee
320 Sixth Avenue, North – 8th Floor
Nashville, TN 37243-0057

Dear Mr. White:

The University of Tennessee is submitting the following non-competitively bid contract exceeding \$250,000 for review in accordance with Public Chapter 413, Public Acts of 2003:

Contract with BellSouth Telecommunications, Inc.

The university has an on-going month-to-month service contract with BellSouth for the use of an intraLATA OC-48 network line. This network line connects the campus to BellSouth's central office thus providing connectivity for our telecommunications needs, including telephone and internet connections.

The university has had a contract in place for many years with BellSouth to obtain this needed service. This proposed contract allows the university to obtain the same, needed services but at a lower cost due to the elimination of the "last-mile" services charges. The savings to the university from this contract is approximately \$15,000 per month.

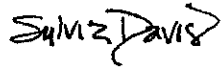
This contract is before the committee for review because the maximum contractual period is four years at a total cost of \$648,000. Over the past several months, however, the university has negotiated with BellSouth and subsequently incorporated into the proposed contract language that gives us the ability to cancel this service without penalty with a ninety-day notice. This ability was critical as it allows us to enter into other agreements if such opportunities proved advantageous to the university. It is our belief such a situation will arise within the next year given approval obtained from the State Building Commission for UT to enter into a lease agreement with Digital Crossing, a vendor-neutral telecommunications venture located in Knoxville.

The effective date of this proposed contract is January 1, 2007. The university has the ability to enter into this contract immediately and would request the committee's favorable recommendation to waive the timely submission requirement so we may begin to realize the associated savings.

UT Contract with BellSouth
October 2, 2006
Page 2

Please let me know if you or others have questions or need additional information.

Sincerely,

A handwritten signature in black ink that reads "Sylvia Shannon Davis". The signature is written in a cursive style with a large, stylized "S" at the beginning.

Sylvia Shannon Davis
Vice President for Administration and Finance

Attachment

c: John D. Petersen
Jack Britt
Brice Bible
Anthony Haynes
Steve Keys
Gary Rogers

CONTRACT SUMMARY SHEET

021406

RFS #				Contract #			
332.10-02-07				N/A			
State Agency				State Agency Division			
University of Tennessee				University-wide Administration			
Contractor Name				Contractor ID # (FEIN or SSN)			
BellSouth Telecommunications, Inc.				<input type="checkbox"/> C- or <input checked="" type="checkbox"/> X <input type="checkbox"/> V- 58-0436120			
Service Description							
University Internet Connectivity Service for Knoxville area							
Contract BEGIN Date		Contract END Date		Subrecipient or Vendor?		CFDA #	
1/1/2007		12/31/2010		Vendor		N/A	
Mark Each TRUE Statement							
<input type="checkbox"/> N/A Contractor is on STARS				<input checked="" type="checkbox"/> X Contractor's Form W-9 is on file in Accounts			
Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code		
332.10	N/A	N/A	N/A	N/A	N/A		
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount		
2007				\$ 81,000.00	\$ 81,000.00		
2008				\$ 162,000.00	\$ 243,000.00		
2009				\$ 162,000.00	\$ 405,000.00		
2010				\$ 162,000.00	\$ 567,000.00		
2011				\$ 81,000.00	\$ 648,000.00		
					\$ -		
TOTAL	\$ -	\$ -	\$ -	\$ 648,000.00	\$ 648,000.00		
— COMPLETE FOR AMENDMENTS ONLY —				State Agency Fiscal Contact & Telephone #			
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Sylvia Davis, 865-974-2243				
			State Agency Budget Officer Approval				
			Sylvia Shannon Davis, VP Administration and Finance				
			Funding Certification (certification required by T.C.A. § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)				
TOTAL	\$ -	\$ -					
End Date							
Contractor Ownership (complete only for base contracts with contract # prefix FA or GR) N/A							
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business	<input type="checkbox"/> NOT disadvantaged			
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged—				
Contractor Selection Method (complete for ALL base contracts — N/A to amendments or delegated authorities)							
<input type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation		<input type="checkbox"/> Alternative Competitive Method				
<input checked="" type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government (eg, ID, GG, GU)		<input type="checkbox"/> Other				
Procurement Process Summary (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)							
The negotiated contract allows the university to terminated services without penalty given a 90 day notice to the vendor that we intend to exercise this option.							

**THE UNIVERSITY OF TENNESSEE
REQUEST: NON-COMPETITIVE CONTRACT**

APPROVED:

UT System Office Approval

Date

Each of the request items below indicates specific information that must be individually detailed or addressed as required. A request cannot be considered if information provided is incomplete, non-responsive, or does not clearly address each of the requirements individually as required.

1) UT Tracking Number	94656		
2) Campus/Institute Name	UNIVERSITY WIDE ADMINISTRATION		
3) Short Description:	INTERNET SERVICES PROVIDING PRIMARY INTERNET CONNECTIVITY TO KNOXVILLE CAMPUS BY BELL SOUTH TELECOMMUNICATIONS, INC.		
4) Proposed Vendor:	Name:	BELL SOUTH TELECOMMUNICATIONS, INC	
	Vendor Number:	n/a	
	Vendor ID:	58-0436120	
5) Contract Start Date:			1/1/2007
6) Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :			12/31/2010
7) Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :			\$ 648,000
8) Approval Criteria : (select one)	<input type="checkbox"/>	use of Non-Competitive Negotiation is in the best interest of the university	
	<input checked="" type="checkbox"/>	only one uniquely qualified service provider able to provide the service	
9) Detailed Description of Service to be Acquired :			
<p>Service is for an intraLATA OC-48 BellSouth SMARTRING. OC-48 is a network line with transmission speeds of up to 2488.32 Mbit/s. This fiber optic ring will span from the Stokley Management Center to Humanities to the BellSouth main central office. The university currently has this service with BellSouth on a month-to-month contract but under this agreement it will eliminate industry-standard "last-mile" charges, saving the university approximately \$15,000 per month.</p> <p>"Last mile" is a metaphor that refers to any of the communication links that connect homes and offices to carrier networks and the Internet. The only telecommunications facility in the vicinity that currently provides these services is BellSouth. It links the campus to the local loop at BellSouth's central office, giving the campus all of its connectivity telecommunications and network connectivity.</p>			

10) Explanation of the Need for or Requirement Placed on the Procuring Agency to Acquire the Service :
BellSouth is the only company that provides these "last mile" services, bringing all communications, including connections for the telephone system and all internet traffic, to the campus.
11) Explanation of Whether the Procuring Agency Bought the Service in the Past, & if so, What Procurement Method It Used :
Yes, sole source, non-competitive.
12) Name & Address of the Proposed Vendor/Contractor(s): (not required if proposed contractor is a state education institution)
BellSouth Telecommunications, Inc 333 Commerce Street Nashville, TN 37201
13) Evidence of the Proposed Vendor/Contractor's Experience and Length of Experience Providing the Service :
BellSouth Telecommunications, Inc is a private subsidiary who is the business of providing local and long distance telephone, as well as internet connectivity. BellSouth is currently providing these services to the university under a separate contract and has done so for many years. This new contract simply eliminates the last-mile service charges.
14) Documentation of Office for Information Resources Endorsement : N/A (required only if the subject service involves information technology)
15) Documentation of Department of Personnel Endorsement : N/A (required only if the subject service involves training for state employees)
16) Documentation of State Architect Endorsement : N/A (required only if the subject service involves construction or real property related services)
17) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :
BellSouth is the only company that can provide these last mile services. The university has sought and received permission from the State Building Commission to become a tenant of Digital Crossing, a vendor neutral telecommunications venture developed by Technology 20/20. This solution will allow UT to obtain its telecommunication connectivity directly from the source instead of using BellSouth. Although approved, it will be approximately six more months before the university can make use of this new facility. This contract therefore, bridges the gap and will allow the university to save approximately \$90,000 over six months.
18) Justification of Why the University Should Use Non-Competitive Negotiation Rather Than a Competitive Process: (Being the "only known" or "best" service provider to perform the service as desired will not be deemed adequate justification.)
A competitive process isn't possible because BellSouth has a monopoly on the local area and is the only company that can provide the current service.

**CONTRACT SERVICE ARRANGEMENT
AGREEMENT**

Case Number TN06-A498-00

This Contract Service Arrangement (CSA) Agreement ("Agreement") is by and between BellSouth Telecommunications, Inc., a Georgia corporation, d/b/a BellSouth, ("Company") and University of Tennessee ("Customer or Subscriber"), and is entered into pursuant to Tariff Section A5 of the General Subscriber & Private Line Services Tariff. This Agreement is based upon the following terms and conditions as well as any Attachment(s) affixed and the appropriate lawfully filed and approved tariffs which are by this reference incorporated herein.

1. Subscriber requests and Company agrees, subject to the terms and conditions herein, to provide the service described in this Agreement at the monthly and nonrecurring rates, charges, and conditions as described in this Agreement ("Service"). The rates, charges, and conditions described in this Agreement are binding upon Company and Subscriber for the duration of this Agreement. For the purposes of the effectiveness of the terms and conditions contained herein, this Agreement shall become effective upon execution by both parties. For purposes of the determination of any service period stated herein, said service period shall commence the date upon which installation of the service is completed.
2. Company agrees to provide Subscriber notice of any additional tariffed services required for the installation of the Service. Subscriber agrees to be responsible for all rates, charges and conditions for any additional tariffed services that are ordered by Subscriber.
3. This Agreement is subject to and controlled by the provisions of Company's or any of its affiliated companies' lawfully filed and approved tariffs, including but not limited to Section A2 of the General Subscriber Services Tariff and No. 2 of the Federal Communications Commission Tariff and shall include all changes to said tariffs as may be made from time to time. All appropriate tariff rates and charges shall be included in the provision of this service. Except for the expressed rates, charges, terms and conditions herein, in the event any part of this Agreement conflicts with the terms and conditions of Company's or any of its affiliated companies' lawfully filed and approved tariffs, the tariff shall control.
4. This Agreement may be subject to the appropriate regulatory approval prior to commencement of installation. Should such regulatory approval be denied, after a proper request by Company, this Agreement shall be null, void, and of no effect.
5. If Subscriber cancels this Agreement prior to the completed installation of the Service, but after the execution of this Agreement by Subscriber and Company, Subscriber shall pay all reasonable costs incurred in the implementation of this Agreement prior to receipt of written notice of cancellation by Company. Notwithstanding the foregoing, such reasonable costs shall not exceed all costs which would apply if the work in the implementation of this Agreement had been completed by Company.
6. The rates, charges, and conditions described in this Agreement may be based upon information supplied to Company by the Subscriber, including but not limited to forecasts of growth. If so, Subscriber agrees to be bound by the information provided to Company. Should Subscriber fail to meet its forecasted level of service requirements at any time during the term of this Agreement, Subscriber shall pay all reasonable costs associated with its failure to meet its projected service requirements.
7. (a) If Subscriber cancels this Agreement or a Service provided pursuant to this Agreement at any time prior to the expiration of the service period set forth in this Agreement, Subscriber shall be responsible for all termination charges. Unless otherwise specified by the tariff or stated elsewhere in this Agreement, termination charges are defined as fifty percent (50%) of the recurring charges due or remaining as a result of the minimum service period agreed to by the Company and Subscriber and set forth in this Agreement and any nonrecurring charges that were not applied upon installation as set forth in this Agreement.

PRIVATE/PROPRIETARY

CONTAINS PRIVATE AND/OR PROPRIETARY INFORMATION. MAY NOT BE USED OR DISCLOSED OUTSIDE THE
BELLSOUTH COMPANIES EXCEPT PURSUANT TO A WRITTEN AGREEMENT.

**CONTRACT SERVICE ARRANGEMENT
AGREEMENT**

Case Number TN06-A498-00

(b) Subscriber further acknowledges that it has options for its telecommunications services from providers other than Company and that it has chosen Company to provide the services in this Agreement. Accordingly, if Subscriber assigns this Agreement to a certified reseller of Company local services and the reseller executes a written document agreeing to assume all requirements of this Agreement, Subscriber will not be billed termination charges. However, Subscriber agrees that in the event it fails to meet its obligations under this Agreement or terminates this Agreement or services purchased pursuant to this Agreement in order to obtain services from a facilities based service provider or a service provider that utilizes unbundled network elements, Subscriber will be billed, as appropriate, termination charges as specified in this Agreement.

8. This Agreement shall be construed in accordance with the laws of the State of Tennessee.
9. Except as otherwise provided in this Agreement, notices required to be given pursuant to this Agreement shall be effective when received, and shall be sufficient if given in writing, hand delivered, or United States mail, postage prepaid, addressed to the appropriate party at the address set forth below. Either party hereto may change the name and address to whom all notices or other documents required under this Agreement must be sent at any time by giving written notice to the other party.

Company

BellSouth Telecommunications, Inc.
Assistant Vice President
333 Commerce St
Nashville, TN 37201

Subscriber

University of Tennessee
1115 Volunteer Blvd
Knoxville, TN 37996

10. Subscriber may not assign its rights or obligations under this Agreement without the express written consent of Company and only pursuant to the conditions contained in the appropriate tariff.
11. In the event that one or more of the provisions contained in this Agreement or incorporated within by reference shall be invalid, illegal, or unenforceable in any respect under any applicable statute, regulatory requirement or rule of law, then such provisions shall be considered inoperative to the extent of such invalidity, illegality, or unenforceability and the remainder of this Agreement shall continue in full force and effect.
12. Subscriber acknowledges that Subscriber has read and understands this Agreement and agrees to be bound by its terms and conditions. Subscriber further agrees that this Agreement, and any orders, constitute the complete and exclusive statement of the Agreement between the parties, superseding all proposals, representations, and/or prior agreements, oral or written, between the parties relating to the subject matter of the Agreement.
13. Acceptance of any order by Company is subject to Company credit and other approvals. Following order acceptance, if it is determined that: (i) the initial credit approval was based on inaccurate or incomplete information; or (ii) the customer's creditworthiness has significantly decreased, Company in its sole discretion reserves the right to cancel the order without liability or suspend the Order until accurate and appropriate credit approval requirements are established and accepted by Customer.
14. This Agreement is not binding upon Company until executed by an authorized employee, partner, or agent of Subscriber and Company. This Agreement may not be modified, amended, or superseded other than by a written instrument executed by both parties, approved by the appropriate Company

PRIVATE/PROPRIETARY

CONTAINS PRIVATE AND/OR PROPRIETARY INFORMATION, MAY NOT BE USED OR DISCLOSED OUTSIDE THE
BELL/SOUTH COMPANIES EXCEPT PURSUANT TO A WRITTEN AGREEMENT.

**CONTRACT SERVICE ARRANGEMENT
AGREEMENT**

Case Number TN06-A498-00

organization, and incorporated into Company's mechanized system. The undersigned warrant and represent that they have the authority to bind Subscriber and Company to this Agreement.

15. Customer and Company acknowledge and agree that to the extent the services to which Customer subscribes under this Agreement constitute a "bundle or combination of products or services" under Tennessee Senate Bill 182/House Bill 593, effective June 1, 2005, all references to "BellSouth's General Subscriber Services Tariff," "BellSouth tariffs," "BellSouth's lawfully filed tariffs" or any other reference to BellSouth's tariffs on file with the Tennessee Regulatory Authority shall be deemed references to agreed contract terms and conditions identical to those set forth in the applicable tariff(s) for the services included within the Customer's bundle or combination, as such tariffs existed on May 31, 2005, and which are on file with the TRA. Such tariffs are incorporated herein by reference as if included fully herein and can be reviewed at <http://www.bellsouth.com>. To the extent there exist any discrepancies or inconsistencies between the express terms set forth in the body of this Agreement and those incorporated by reference, the express terms set forth in the body of this Agreement shall govern.
16. If Customer cancels this Agreement at any time prior to the expiration of the service period set forth in this Agreement, Customer shall be responsible for all termination charges. With regard to services provided in the State of Tennessee, Customer shall pay a termination charge as specified in the BellSouth's Tennessee tariffs (Section A2.4.10.E.1 and B2.4.9.A.4, available on the Web at <http://cpr.bellsouth.com/pdf/tn/tn.htm>).

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CONTRACT SERVICE ARRANGEMENT
AGREEMENT

Case Number TN06-A498-00
Option 1 of 2

Offer Expiration: This offer shall expire on: 12/31/2006 UT BELLSOUTH
~~10/22/2006~~

Estimated service interval following acceptance date: Negotiable weeks.

Service description:

This Contract Service Arrangement (CSA) provides intrastate, intraLATA OC-48 BellSouth® SMARTRing® service.

The service period for this Agreement is twenty-four (24) month service period with a minimum service period of twenty-four (24) months.

The service interval must be negotiated.

Under this Agreement, the service may only be purchased by Customers whose traffic on this service will be at least 90% intrastate. Customer is responsible for complying with this requirement, and by ordering or accepting such service under this Agreement, Customer is representing to the Company that its traffic on the service will be at least 90% intrastate.

Customer understands and agrees that Company is relying upon Customer's representations concerning the proper jurisdiction of any and all circuits ordered under this Agreement. Customer expressly agrees that Company has the right, in its sole discretion, to immediately convert any circuit or service to the correct jurisdiction, and adjust the rates and terms accordingly, should the Company determine that the jurisdictional nature of the circuit or service is different than what the Customer represented. Customer agrees to hold the Company harmless, and to indemnify and defend the Company from any and all claims that may result from the Company's conversion of any circuit or service to the correct jurisdiction, based on any good faith effort to comply with applicable regulatory requirements.

This Agreement shall be extended for additional one-year terms under the same terms and conditions herein unless either party provides written notice of its intent not to renew the Agreement at least sixty (60) days prior to the expiration of the initial term or each additional one-year term.

Customer Initials _____

PRIVATE/PROPRIETARY

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CONTRACT SERVICE ARRANGEMENT
AGREEMENT

Case Number TN06-A498-00
Option 1 of 2

RATES AND CHARGES

	Rate Elements	Non-Recurring	Monthly Rate	USOC
1	BellSouth® SMARTRing® service Local Channel Mileage Rates (All capacities) - Per Local Channel	\$500.00	\$.00	1HVXX
2	BellSouth® SMARTRing® service Local Channel Mileage Rates (All capacities) - Per quarter air mile	\$.00	\$83.00	1HVAX
3	BellSouth® SMARTRing® service Customer Node (Per Node) - OC-48 capacity	\$455.00	\$4,410.00	SHNN8
4	BellSouth® SMARTRing® service Central Office Node (Per Node) - OC-48 capacity	\$455.00	\$4,110.00	SHNH8

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**CONTRACT SERVICE ARRANGEMENT
AGREEMENT**

Case Number TN06-A498-00
Option 1 of 2

RATES AND CHARGES

NOTES:

1. The OC-48 SMARTRing service includes the following nodes in Knoxville, Tennessee:

Customer Nodes:

916 Volunteer Boulevard
1115 Volunteer Boulevard

Central Office Nodes:

KNVLTNMA

2. All rules and regulations for SMARTRing Service from Section B7 of the Private Line Services Tariff (PLST) are applicable to this Agreement. The rate elements included herein have been specifically discounted. Other rate elements used in the provision of the service have not been listed, but may be found in the appropriate Company tariff. Examples of other rate elements are: FCC surcharges, regulatory fees, taxes, or charges for features ordered that are not listed in the Agreement.
3. If SMARTRing service provided under this Agreement is cancelled prior to the beginning of the selected service period, Subscriber will be liable for all capital expenses incurred by Company in provisioning this service, as of the date the order is cancelled by Subscriber.
4. A termination liability will be assessed to Subscriber if SMARTRing service is terminated prior to the end of the chosen service period. The amount to be assessed will be calculated as specified in this Agreement.
5. The following nonrecurring charge will not apply upon initial installation. However, if SMARTRing service is disconnected prior to the expiration of this Agreement, then Subscriber will pay the full nonrecurring charge as identified below subject to conditions as specified in this Agreement:

Contract Preparation Charge (WGGVF).....\$382.00

6. These rates and charges are in addition to any tariff rates and charges that may apply.
7. This Agreement or any services provided by the Company may be canceled by the Customer at any time and for any reason, upon providing the Company with ninety (90) days notice prior to the effective date of said cancellation. There shall be no termination or like charges to the Customer in the event of cancellation pursuant to this provision, and the Customer shall pay any outstanding balance on invoices for services delivered prior to the effective date of said cancellation but shall not be liable for any further charges. In the event that this Agreement or a particular service is terminated or canceled without the ninety (90) day advance written notice, the Customer shall negotiate reasonable termination costs, if applicable.

**THIS CANCELLATION CLAUSE SUPERCEDES ANY AND ALL
REFERENCES CONTAINED IN PAGES 1-8 OF THIS AGREEMENT
TO TERMINATION OR CANCELLATION FEES AND CHARGES.**

All trademarks and service marks contained herein are the property of BellSouth Intellectual Property Corporation.

UT
Bellsouth

END OF ARRANGEMENT AGREEMENT OPTION 1

PRIVATE/PROPRIETARY

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BELLSOUTH COMPANIES EXCEPT PURSUANT TO A WRITTEN AGREEMENT.

Quote Number: BBS060616131606
 Customer: UT Knoxville
 Prepared By: Kent Clements
 Subject: SMARTRing (TN)

Quote Detail

Description	QTY	USOC/Code	Installation	Monthly
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SMARTRing (TN)

Configuration: Ring Level Components and Interfaces

Location #1

Address: 916 volunteer bld

Serving CO: KNVLTNMADSI (865/971) - BellSouth Telecomm, Inc. - TN

Switch Type: DMS

Miles to Serving CO: 0.9097

Local Channel

Per channel - 73 to 96 Months	2	IHVXX	\$1,000.00	\$0.00
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Per quarter mile - 73 to 96 Months	8	IHVAX	\$0.00	\$544.00
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Customer Node	1	SHNN8	\$455.00	\$3,510.00
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Capacity: OC-48

Payment Term: 73 to 96 Months

Location #2

Address: 1115 Volunteer Blvd

Serving CO: KNVLTNMADSI (865/525) - BellSouth Telecomm, Inc. - TN

Switch Type: DMS

Miles to Serving CO: 0.9940

Local Channel

Per channel - 73 to 96 Months	2	IHVXX	\$1,000.00	\$0.00
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Per quarter mile - 73 to 96 Months	8	IHVAX	\$0.00	\$544.00
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Customer Node	1	SHNN8	\$455.00	\$3,510.00
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Capacity: OC-48

Payment Term: 73 to 96 Months

Location #3

Central Office Termination - SMARTRing

KNVLTNMADSI (865/215) - BellSouth Telecomm, Inc. - TN

Switch Type: DMS

BellSouth's price quote identifies the various charges applicable for the provisioning of the proposed services; however, there are miscellaneous additional charges that may be applicable but cannot be precisely quantified. Such charges may include directory assistance charges, franchise fees, license fees/taxes, local usage charges, per usage feature charges, dual party relay charges, hearing and speech impaired charges, miscellaneous listing charges, number portability recovery charges, internet charges, long distance charges, operator assistance call charges (i.e. collect calls, third-party calls and call interrupts), and/or other charges identified in BellSouth's applicable tariffs. In accordance with the tariffs, the Customer will be billed any such charges incurred, and will be held responsible for payment of such charges.

Prepared By: Kent Clements (615) 401-4106

Quote Number: BBS060616131606

This Quote is valid 30 days from last revision date 06/26/2006. Federal, State and Local tax not included.

The information contained in this proposal is proprietary to BellSouth and is offered solely for the purpose of evaluation. It may not be disclosed to third parties without prior written permission from BellSouth. This quote is subject to the availability of the services set forth above.

 **BELLSOUTH**

Quote Number: BBS060616131606
 Customer: UT Knoxville
 Prepared By: Kent Clements
 Subject: SMARTRing (TN)

Central Office Node 1 SHNH8 \$455.00 \$3,510.00

Capacity: OC-48

Payment Term: 73 to 96 Months

*This quote is valid only if based on a SMARTRing "As Billed" Service

Inquiry drawing.

*Rates quoted for this product are based on Tariff Section B7.7 (Private Line).

Totals \$3,365.00 \$11,618.00

Circuit Location Information

SMARTRing (TN)

Location # 1 UT Knoxville
 916 volunteer blvd
 Knoxville, TN

Location # 2 UTK-Telephone Services
 1115 Volunteer Blvd, 8 Humanities Bdg
 Knoxville, TN 37996-
 ATTN: Accts Payable

Location # 3 Central Office Termination
 865-215

Notes

BellSouth's price quote identifies the various charges applicable for the provisioning of the proposed services; however, there are miscellaneous additional charges that may be applicable but cannot be precisely quantified. Such charges may include directory assistance charges, franchise fees, license fees/taxes, local usage charges, per usage feature charges, dual party relay charges, hearing and speech impaired charges, miscellaneous listing charges, number portability recovery charges, internet charges, long distance charges, operator assistance call charges (i.e. collect calls, third-party calls and call interrupts), and/or other charges identified in BellSouth's applicable tariffs. In accordance with the tariffs, the Customer will be billed any such charges incurred, and will be held responsible for payment of such charges.

Prepared By Kent Clements (615) 401-4106
 Quote Number BBS060616131606

This Quote is valid 30 days from last revision dated 6/26/2006 Federal, State and Local tax not included.

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